

Testimony to the Senate Judicial Proceedings Committee SB884: Driver's Licenses - Suspension for Child Support Arrearages - Exception Position: Favorable

March 10, 2022

The Honorable William Smith, Jr., Chair Judicial Proceedings Committee 2 East, Miller Senate Office Building Annapolis, Maryland 21401

cc: Members, Judicial Proceedings Committee

Honorable Chair Smith and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances economic rights and financial inclusion for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are writing today in support of SB884 as a means of repealing the punitive practice of driver's license suspensions for lower-income obligors.

Mobility is key in Maryland's regional economy. The Census Bureau reported that <u>almost 50% of Marylanders travel outside of their county</u> for employment. This statistic is more pronounced for lower-income communities of color where there is a scarcity of jobs available by public transit. In fact, only <u>9% of jobs in the Baltimore region can be reached within one hour, one-way by public transit</u>. Thus for economic sustainability, both a valid driver's license and a vehicle are necessary.

In 2015, NPR reported that 62% of Marylanders who owe child support make less than minimum wage, but owe at least \$10,000 in unpaid arrearages. They will never pay down this debt, especially when the current law magnifies the issue by crippling their mobility. Maryland Code Ann., Fam. Law § 10-119 states that upon 60 days of nonpayment of child support an obligor shall have their license or privilege to drive suspended. Beyond this, Maryland Code Ann., Transportation §16–303 states that driving on an invalid license (suspended, canceled, or revoked) in Maryland is a crime punishable by up to (1) one year in jail, a \$1000 fine, or both. As such, child support debt triggers a suspended driver's license, arrest, or hefty fines, further complicating the ability of low-wage workers to secure employment and make payments.



Data suggests that this issue is racialized as well, adversely disrupting the lives of African-Americans. Although Blacks make up 31.1% of Maryland's population, MDOT data suggests that they made up to 71% of the roughly 27,000 license suspensions between 2015 - 2020. If a disproportionately higher number of black Marylanders lack access to a valid driver's license due to license suspensions and are blocked from participating in a mobile economy, it stands to reason that current state policy is actively preventing them from making payments.

SB884 ends the practice of suspending licenses for child support arrears of those making less than 300% of the Federal Poverty Level (FPL) or \$39k annually. There is **no** evidence that suggests suspending an individual's driver's license improves the collection of arrears in the long run for persons at this income level. Suspending licenses for lower-income obligors runs counter to the stated purpose of increasing compliance in child support payments and engagement with family where appropriate. In fact, it cripples the primary way that the Child Support Enforcement Agency can collect (wage garnishments) by eliminating access to employment needed to pay down arrears. For these reasons and more, we urge a favorable report on SB884.

For these reasons, MCRC supports SB884 and asks for a favorable report.

Respectfully,

Isadora Stern Policy Associate